



## STATE BOARD OF LAND COMMISSIONERS

Philip E. Batt, Governor and President of the Board  
Pete T. Cenarrusa, Secretary of State  
Alan G. Lance, Attorney General  
J. D. Williams, State Controller  
Anne C. Fox, Superintendent of Public Instruction

Stanley F. Hamilton, Secretary to the Board

### FINAL MINUTES BRIEFING MEETING FOR WESTROCK PROJECT MARCH 20, 1998

The WestRock Project briefing meeting of the Idaho State Board of Land Commissioners was held on March 20, 1998, in Boise, Idaho. The following members were present.

Honorable Governor Philip E. Batt  
Honorable Secretary of State Pete T. Cenarrusa  
Honorable Attorney General Alan G. Lance

Secretary to the Board Stanley F. Hamilton

The WestRock Project team briefed Superintendent of Public Instruction Anne C. Fox separately on March 17, 1998.

The meeting convened at 9:00 AM and adjourned at 11:00 AM.

Governor Batt called the meeting to order.

Director Hamilton provided two handouts – a letter from the Valley Soil & Water Conservation District and an article from the Long Valley Advocate. He introduced Don Weilmunster, President of the WestRock Project, who provided background information.

Mr. Weilmunster thanked the Land Board for the opportunity to present the proposed WestRock Project. The project was previously referred to as Valbois in the 1980's. He said that WestRock bought out Valbois and paid, dollar for dollar, 5.3 million dollars of Valbois debts.

Mr. Weilmunster stated that WestRock has put an excellent team together and they have been working hard over the past months. They are planning to build a first-class resort. The team has proposed to start the project on the State property first and then expand to Forest Service property in the future. He stated that the team feels WestRock will be a good neighbor to the community and will provide high-tech jobs to the area. If the project goes ahead, it will provide

money to the Endowment Fund. Mr. Weilmunster introduced Mr. Jerry Kidd, who joined the West Rock Project team with over 27 years experience with the Bureau of Land Management. Mr. Kidd stated that this world class destination resort will be built as a model of excellence. It is the intent of the team to build it with an environmental conscience so that everything that is done is "done right." He stated this means that the team has to remain flexible and adaptable throughout the development of the project. Whenever something comes up that deserves a look as to how to do something better, the team will stop and take a look at it. Mr. Kidd introduced Mr. Ted Beeler of Snow Engineering who is the primary consultant for the project.

Mr. Beeler presented the WestRock Resort Informational Briefing material, which is summarized on the attachment entitled WestRock Resort Informational Briefing.

Following the informational briefing, Mr. Beeler stated that estimates based upon 6,000 skier capacity, ski area utilization figures, and revenues per skier visit would amount to – if you just took the average of what ski areas pay the U.S. Forest Service on an annual basis - \$450,000 per year toward the Endowment Fund for the lease of State lands.

Governor Batt asked about environmental impacts. Mr. Beeler said there were a number of things the team had been evaluating over the past several months. He stated that probably the most important on everyone's mind is water quality in the lake. He said that research and the environmental analysis done to date indicated that, certainly since 1990, water quality in Lake Cascade has improved. WestRock feels that it can be consistent with the Lake Cascade management plan and possible enhance water quality beyond the expectation of that plan and the objectives set forth for TMDL. One reason is the effluent treatment at the reuse site, and the removal of all grazing at the site. The team has worked with the Corps of Engineers on an ongoing basis identifying wetlands, to minimize and mitigate impacts to wetlands and will continue to do this. Other areas, like wildlife, protecting fisheries habitat and other protected species like the bald eagle nests on the site are also a very important part of this project. He said this is just a few of the environmental considerations that have to come into play with a project such as this. He said that WestRock is very committed to working with the County, State and Federal Governments.

Attorney General Lance asked about the hearing in Valley County. Mr. Beeler said that the first public hearing is scheduled to occur in May for the PUD application. Attorney General Lance asked, prior to that hearing what did the team want from the Land Board. Mr. Beeler stated conceptual approval of the project.

Governor Batt asked conceptual approval for what state action. Director Hamilton stated at this point, there is no question but that the Planning and Zoning Commission of the Valley Commissioners have absolute control over the future of this project. As this is a briefing meeting and no decisions are to be made, Director Hamilton asked if at some future time, perhaps as early as the Land Board meeting of next week, does the Land Board want the Department to enter into discussions with this team.

Director Hamilton said the proposal, at this point – the Department staffs' interest is that we would enter into some type of lease. A bill was introduced that would have added this to the long-term lease list. That bill failed so this will not be a possibility this year – perhaps some time in the future.

Director Hamilton said that there has been some discussion about land exchange. He said that the Department staff is not really interested in land exchange.

Director Hamilton said there have been no serious discussions between WestRock and the Department, because the Department needs approval from the Land Board to proceed.

Attorney General Lance said, in his opinion, if the County is against the project and approval is not given, any time spent on this project now is not very productive. He said if WestRock comes back with all the clearances from Valley County, he would be willing to sit down and discuss the project.

Secretary of State Cenarrusa asked when this would be presented to the Land Board for conceptual approval. Director Hamilton said that conceptual approval may be a strong word. The Department had considered perhaps as early as next week to ask the Land Board if they wanted Department staff to enter into discussions with WestRock and begin to look at the situation. He stated again that the County Commissioners and local planning and zoning people are going to be calling the shots on this project. The Department can wait easily until after the County has made their decision before proceeding. There is a fair amount of discussion with WestRock ahead of the Department if the intention is to enter into some kind of arrangement.

Governor Batt asked if there were some kind of precedent where there are state lands being leased. Director Hamilton stated that the State does not have any current activity for a ski lease.

Mr. McDevitt said that WestRock needs conceptual approval that the State would be prepared to discuss this project in order to proceed in Valley County. The team needs to anticipate, at least, that the State would be prepared to discuss a lease if they received the other approvals.

Governor Batt said that it would be fair to say that the Land Board will always try to maximize the income from State Lands. Mr. McDevitt stated that they were aware that only a 10-year lease could be considered. Attorney General Lance said that all members of the Land Board are prepared to sit down and discuss maximizing the return to the endowed institutions, however, he stated he was not willing to until it is seen where Valley County is going. He said that if a proposal were brought in that would accomplish this, it would be the job of the Land Board to consider this.

Director Hamilton stressed that there was no intention on the part of the staff to make any decisions today. The public meeting notice definitely stated that the Land Board would hear the briefing of WestRock, however there would be no decisions would be made at this briefing and no voting would occur.

Director Hamilton asked Mr. Beeler where the Forest Service was currently in their process. Mr. Beeler stated that the Forest Service has assembled a team of specialists to review where the project is currently from the perspective of where it ended in 1992. The WestRock team has scheduled a presentation with the Forest Service in a couple of weeks.

There were several in the audience who spoke both for and against the project.

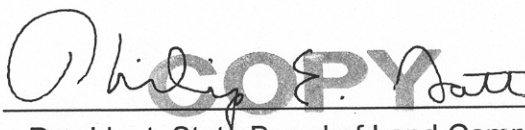
Mr. Jim Keating, representative of the Citizens of Valley County, said they were the 800-member group that opposed Valbois for a variety of reasons. He stated they were certainly willing to look at the proposal. They suggested that the financial status be looked into. He also brought out that there would be twice as much impact on the county and schools as Valbois. Twice as much waste water treatment. Transportation problems; i.e., Highway 55. He said it would be an error on the part of the Land Board to allow conceptual approval at this time. He asked that the Land Board do the right thing.

Mr. Judd DeBoer, President of Brundage Mountain stated that they followed Valbois carefully and they have grave concerns with the current project. He stated that there was clarification need on WestRock's economic analysis. They can't understand the terminology in the Proforma and they don't want something in the area that cannot work.

Governor Batt stated his concern that the meeting might be getting into difficulty regarding the meeting as stated in the public meeting notice. Director Hamilton read the public meeting notice and stated that nothing to this point violated the notice.

The meeting was adjourned.

#### IDAHO STATE BOARD OF LAND COMMISSIONERS

A handwritten signature in dark ink, appearing to read "Phillip E. Batt", is written over a horizontal line. The word "COPY" is printed in large, bold, capital letters across the signature.

President, State Board of Land Commissioners and  
Governor of the State of Idaho

*Pete T. Cenarrusa*  
**COPY**

Pete T. Cenarrusa  
Secretary of State



*Stanley F. Hamilton*  
**COPY**

Stanley F. Hamilton  
Director, Idaho Department of Lands



# WESTROCK LAKE CASCADE

## WestRock Resort Informational Briefing

### WHO IS WESTROCK?

- The project was previously referred to as Valbois in the 1980's
- Valbois went bankrupt in 1991
- For about a year under the reorganization plan, Mina Associates LLC has paid off all Valbois debts = \$6 million
- 10/9/97 Valbois Articles of Inc. amended -+ name to WestRock Inc. (Idaho corp.)
- Don Weilmunster - President of WestRock
- Other officers located in Chapter 4 of Business Plan

### WHAT IS THE VISION?

- Build world-class, year-round, destination resort on the west side of Cascade Lake
- Do it in an environmentally conscious manner
- Make it a model of excellence for the next millennium
- Remain adaptive throughout the development of the Resort (all ideas and concerns)

### WHERE IS IT LOCATED?

- Northwestern shore of Cascade Lake, near Cascade, Idaho
- 90 miles or 2 hour drive north of Boise on Highway 55
- 30 minutes from Boise airport by air and 15 minutes from McCall airport by air

### WHO OWNS THE LAND?

- 5,675 acres total for Resort site
  - 1,340 acres Idaho State lands
  - 2,800 acres NFS lands
  - 75 acres BOR lands
  - 1,460 acres private lands (1 mile wide; 3 miles long)
- 615 acres of private land five miles north of project area will be used for water supply and wastewater treatment

## WHAT WILL IT OFFER?

### - **A variety of activities**

- Alpine and Nordic skiing
- Ice skating, snowmobiling and sleigh rides
- Golf and racquet ball
- Trap and skeet shooting
- Tennis and biking (mountain and casual)
- Hiking, fishing and swimming
- Boating, water sports and scenic cruises
- Trail rides and fitness centers
- Massage and meditation therapy

If you can't do it at WestRock, then it's probably not worth doing

### - **A variety of amenities**

- Restaurants and shopping boutiques
- Amphitheaters and convention centers
- Guest accommodations (hotels, condominiums, pavilions, chalets, private homes)
- Underground vehicle parking
- People transporter system throughout the complex

### - **Guest services**

- Emergency medical care
- Fire protection
- Security services

## WESTPROCK RESORT'S UNIQUENESS

- Combination of mountains for skiing, Cascade Lake for water activities and plenty of private lands to accommodate restaurants, hotels, shopping boutiques, etc.
- PLUS the added bonus of gently sloping terrain from base of mountains to lake shore which provides conditions for ski-in and ski-out access to village amenities and residential properties

## SKIER DEMAND AND VISITATION

- Since the 1990 Valbois EIS, market conditions have improved
- While total US visitation has remained somewhat flat for the last 10 years, current trends look toward growth of 10-20% in the next 10 years
- Destination resorts will receive the majority of this growth due to product/service offering and demand for real estate/lifestyle changes
  - 78 million Echo Boomers will also help to bolster industry visitation
- During the last 5 years Idaho has seen 11% growth in skier visits
  - Sun Valley has witnessed 29% growth in last 5 years
- While there are fewer ski areas than in the early 80's the remaining areas have grown bigger and better to serve the needs of the contemporary consumer
- For the past 10 years, the shift of skier visits to Rocky Mountain states cumulative increase = 16%
- WestRock's US competitors
  - Vail, Beaver Creek, Aspen, and Snowmass, CO
- WestRock's Foreign competitors
  - Whistler, Blackcomb BC, Canada, France, and Italy

### - **Critical Mass Criteria (120 day Season)**

- Need 9,000 skiers/day = 750,000 skiers/year = really comfortable in meeting operating expenses and making additional improvements and expansion
- Resort is sustainable in the market place with state lands at about 500,000 to 750,000 skiers/year
- Need 2,800 acres of NFS lands to achieve 1 million skiers/year for greater appeal, faster growth, and more amenities, for a total buildout of about 18,000 skiers/day



## **DEVELOPMENT and SCHEDULE**

**Two Phases:**     **1 = Pioneer Season and Phase 1, Section A**  
                          **2 = Total Project Buildout - 10 years to do**

### **- Phase 2**

- 24 high speed lifts
- 18, 000 skiers/day
- 1,800 acres Alpine ski trails
- 18 miles of Nordic ski trails
- 5,810 housing units
- 900 hotel dwelling units (each = 3 hotel rooms)
- 75 hotel pavilions
- 800 retail and restaurant sites
- 5 mid-mountain restaurants
- Snowmobile trails and hamlet
- 2 - 18 hole golf courses
- 1 tennis center
- 1 racquet ball and country club
- 1 equestrian center
- Several ice skating arenas
- Snowboarding pipe
- 12 miles trails for biking and roller-blading
- 2.5 miles pedestrian trails
- 2 spa/health clinics and sports training centers
- Marina, rentals, lake access to fishing, sailboating, wind surfing, swimming
- Scenic cruises
- 6,461 permanent jobs on-site and 5,000 jobs off-site
- Full use of Trident People Mover System (4 -12.passenger high speed gondolas)

## **- Phase I (Pioneer Season)**

- Targeted for operation during the winter of 1998 -1999
- Consists of two sections of State lands (1,280 acres) and private lands
- 6 ski lifts = 6,000+ skiers/day
- 33 ski trail network
- 1 snowmaking system
- 2 mountain restaurants (on State land)
- Base facilities for ski schools and ski shop
- 300 space parking lot at base facilities
- Remote parking for 2,000 cars, plus shuttle to base area
- Lake Vista Model Village, part of WestRock Village
- 46 housing units, (14 single family units and 32 townhomes)
- Sewer and water system built
- Electricity brought to site
- Upgrade road from Donnelly to Resort

## **- Phase I Section A**

- Opens January 1, 2000
- Consists of more private land and some NFS lands
- 6 additional ski lifts (3 on NFS lands subject to permitting)
- 15 additional ski trails
- 1 Olympic downhill race track
- 1 - 18 hole golf course
- 1 marina with 75-slip boat dock at or near the Resort shoreline and restaurant
- 270 condominiums and 6 hotels
- 239 housing units, (97 single family units and 142 townhomes)
- 120 restaurants and shopping boutiques
- 154,000 sq. ft. commercial space
- First phase of people mover system

## **ARCHITECTURAL DESIGN**

- Complement the natural landscape by design and placement on the terrain
- Roof line contours, colors, materials
- Village concept of clustered units, not big long buildings with a military base look
- Lodging Capacity - Valley County is zoned for 6 units/acre
- WestRock prefers to be environmentally sensitive and plans only 4 units/acre

## **REAL ESTATE PROPERTIES**

Variety of properties for sale to accommodate - single family homes, townhomes, condominiums, hotels, shopping boutiques, restaurants, commercial space, etc.

Examples:

- Single Family Home
  - Mountain Estates: 7,500 sq. ft.; ski-in and out; 3-5 acre lots
  - Mountain Mansions: 3,000+ sq. ft.; ski-in and ski-out; 3 acre lots
  - Golf Mansions: 3,000- sq. ft.; ski-in; 1/2acre lots
- Townhomes
  - Chalets: main product of villages; most ski-in and ski-out; 450-1,400 sq. ft.
  - Village Townhomes: above boutiques and restaurants on 2 upper floors
- Condominiums:
  - Golf Condos and Village Condos situated on top of some of the village townhomes restaurants and boutiques

## **MARKETING STRATEGY**

- At Grand Opening - begin sales of land and real estate products
- Single family land lots
- Townhome land lots
- Finished real estate packages built by WestRock i.e., Mountain Estates, Mountain Mansions, Chalets, hotels, condos, restaurants and boutiques
- Worldwide promotion and sales plan

## **FINANCIAL ANALYSIS**

- Chapter 12 in the WestRock's Business and Development Plan explains the funding sources, cash flow, and expected returns in detail

## SOCIOECONOMIC IMPACTS and MITIGATION

- Construction will create an average of 1, 1 00 full time equivalent (FTE) jobs per year over the duration of buildout
- On-site
  - starting at 350 jobs first year to 6,461 jobs by year 9
- Off-site
  - starting at 1,200 jobs first year to 5,000 jobs by year 9
- Impacts to county, state, and federal governments to provide support for schools, roads, transportation, medical and emergency services, environmental conservation, housing, administrative services, law enforcement, fire protection, utilities, etc., are expected.
- The impacts to the county, state and federal governments will be offset by increased revenues generated from county, state and federal taxes as a result of the WestRock Resort. Based upon the current Resort Plan, the preliminary estimates of total revenues generated at Resort buildout, will be approximately \$40 million, as noted below:

• County Property Taxes	\$8.2 million
• Real & Personal Property Taxes	\$4.4 million
• State & Federal Income Taxes	\$8.0 million
• State & Federal Use Fees * State	\$1.3 million
• Sales Tax (winter)	\$9.0 million
• State Sales Tax (summer)	\$7.3 million
• Accommodation Taxes (winter)	\$1.0 million
• Accommodation Taxes (summer)	\$0.8 million

- WestRock will make cash grants to some county service providers, i.e.,
  - 2 hospitals                      \$200,000 each
  - Schools                          \$0.5 million first year (Pioneer Season)  
   \$3.3 million second year (Grand Opening year)
- WestRock plans to grant low interest loans to employees so they can build their own homes wherever they choose
- WestRock plans to spend approx. \$0.8 million for affordable housing for employees during Grand Opening year

## ENVIRONMENTAL IMPACTS AND MITIGATION

- Water Quality
  - WestRock will comply with Cascade Lake Management Plan for reducing TMDL (total maximum daily load)
- Concerns about further pollution of Cascade Lake
  - WestRock will build sewer and wastewater treatment system and give existing nearby residents a one-time option to hook into it at their expense
  - a monitoring system will be set up using test wells
- Concerns about increased air pollution in Long Valley by particulate matter/dust, exhaust and wood smoke
  - WestRock will use Best Management Practices during and following construction for dust abatement and use most efficient, clean wood burning stoves
- Concerns about infringing upon wetlands
  - WestRock will avoid them
- Concerns about noise and vibration
  - if needed, WestRock will develop and implement a noise abatement plan
- Concerns about heat and glare
  - WestRock will implement the use of vegetative screening
- Concerns about impacts to wildlife
  - WestRock will do whatever is necessary to have minimal impact to wildlife, i.e., use native vegetation to replace damaged or removed vegetation, design ski runs to maintain sufficient hiding and escape cover, remove any fish passage blockages that occur in streams, etc.